

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 05223 250903Z
ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 DOTE-00 /096 W
-----062626 250931Z /10

R 250712Z JUL 77
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 972
INFO AMCONSUL BRISBNAE
AMCONSUL MELBOURNE
AMEMBASSY PARIS
AMCONSUL PERTH
AMCONSUL SYDNEY
AMEMBASSY TOKYO
AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE CANBERRA 5223

OECD

E.O. 11652: N/A
TAGS: EALR, ECON, EGEN, ALOW, AS
SUBJ: CPI FOR JUNE 1977 QUARTER

REF: (A) CANBERRA 5066 (B) CANBERRA 3695 (C) CANBERRA 2979
(C) CANBERRA 2258

1. AUSTRALIAN BUREAU OF STATISTICS (ABS) ISSUED JULY 25
CONSUMER PRICE INDEX (CPI) FOR JUNE 1977 QUARTER. OVERALL
ALL GROUPS INDEX FOR SIX AUSTRALIAN CAPITAL CITIES (CANBERRA
EXCLUDED) INCREASED 2.4 PERCENT (CANBERRA 1.8 PERCENT) OVER
MARCH 1977 FIGURE. ON BASIS THIS FIGURE, CPI IN JUNE
QUARTER UP 13.4 PERCENT (CANBERRA 11.4 PERCENT) OVER SAME
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 05223 250903Z

QUARTERLY FIGURE IN PRECEDING YEAR (REF C).

2. IF ONE TIME EFFECT OF INTRODUCING MEDIBANK PAYMENTS
IN DECEMBER QUARTER 1976 IS DISCOUNTED BY EXCLUDING
HOSPITAL AND MEDICAL SERVICES FROM ALL -GROUPS INDEX,
INCREASE OVER YEAR EARLIER PERIOD DROPS TO 10.2 PERCENT

3. COMMENT: TREASURER LYNCH HAS REPORTEDLY PLACED CONSIDERABLE EMPHASIS ON MEDIBANK ADJUSTED 102. PERCENT YEARLY INCREASE FIGURE, CLAIMING IT DEMONSTRATED THAT INFLATION AT LAST COMING UNDER CONTROL. OPPOSITION SPOKESMAN WILL UNDOUBTEDLY RESIST THIS ARGUMENT AND URGE THAT RELATIVELY HIGH 13.4 PERCENT YEARLY INCREASE WHEN MEDIBANK IS INCLUDED DEMONSTRATES THAT GOVERNMENT HAS NOT RPT NOT WON BATTLE AGAINST INFLATION ALTHOUGH ARGUMENTS CAN AN WILL BE MADE TO SUPPORT BOTH THESES, COMBINATION OF ONE TIME MEDIBANK PAYMENTS, NOVEMBER 1976 DEVALUATION- THE EFFECTS OF WHICH HAVE STILL NOT ENTIRELY WORKED THROUGH SYSTEM--PARTIAL WAGE AND PRICE FREEZE DURING JUNE QUARTER AND RESHUFFLING OF WEIGHTS REFLECTED IN MARCH 1977 QUARTER, MAKE IT DIFFICULT MAKE ANY SIGNIFICANT QUARTERLY COMPARISONS. MAIN POINT IS THAT AUSTRALIA STILL HAS INFLATION RATE IN VICINITY AT LEAST OF 10 PERCENT ANNUALLY, WELL IN EXCESS OF TRADING PARTNERS.

4. IN FORTHCOMING NATIONAL WAGES HEARING, BEFORE CONCILIATION AND ARBITRATION COMMISSION, SOME QUARTERS EXPECT GOVERNMENT AGAIN TO PLEAD FOR EXCLUSION OF DEVALUATION EFFECTS AND TO TAKE ACCOUNT OF ECONOMIC EFFECTS IN GRANTING WAGE INCREASES BASED ON JUNE QUARTER CPI FIGURES (REF.B). ALTHOUGH ABS STATISTICS AS RELEASED, CONTAIN NO INDICATION ON WHAT THIS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 05223 250903Z

DEVALUATION ELEMENT MAY BE, SOME ANALYSTS HAVE PLACED IT AT BETWEEN 0.45 AND 0.5 PERCENT. ACTU WILL UNDOUBTEDLY CONTINUE TO PRESS FOR FULL CARRY-ON OF JUNE QUARTER INCREASE. IF IT FOLLOWS RECENT PRACTICE, COMMISSION WILL NOT GRANT EITHER SIDE ALL THEY SEEK. IN ADDITION, COMMISSION STILL HAS NOT CARRIED OUT ITS ANNOUNCED INTENTION TO INVESTIGATE THE VALUE OF CPI AS INDEX ON WHICH BASE WAGE INCREASES. IT MAY DO SO DURING FORTHCOMING HEARINGS AND THUS CLOUD PICTURE STILL FURTHER (REF D). ALSTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DATA, TRADE DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER05223
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770264-0482
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770724/aaaaaukb.tel
Line Count: 104
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9dd58264-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CANBERRA 5066, 77 CANBERRA 3695, 77 CANBERRA 2979, 77 CANBERRA 2258
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1763515
Secure: OPEN
Status: NATIVE
Subject: CPI FOR JUNE 1977 QUARTER
TAGS: EALR, ECON, EGEN, ALOW, AS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/9dd58264-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009